



FIRST THINGS FIRST

The right system for bright futures

Arizona Early Childhood Development & Health Board

Draft Meeting Minutes

Call to Order

The regular meeting of the First Things First – Arizona Early Childhood Development and Health Board was held on January 27, 2009 at the Arizona Western College, Room 2020 S. Avenue 8 E. Yuma, Arizona 85364.

Chair Mathis Basha called the meeting to order at approximately 8:50 a.m.

Members Present:

Nadine Mathis Basha, Steve Lynn, Rhian Evans Allvin, Vivian Saunders, Dr. Eugene Thompson, Dr. Pamela Powell and Dr. Arturo Gonzalez

Ex-Officio Members Present:

Mary Ellen Cunningham and Amy Corriveau

Absent:

Hon. Cecil Patterson

Consent Agenda

The items on the Consent Agenda include the Minutes of the December 2 and 3, 2008 Board meeting. A motion was made by Member Thompson to adopt the Consent Agenda, seconded by Member Evans Allvin. Motion approved.

Board Member Reports/Updates

Chair Mathis Basha thanked Arizona Western College for hosting the First Things First Board meeting and Alison Keogh for the tour of the Arizona Western College Childhood Development Learning Laboratory.

Chair Mathis Basha welcomed Dr. Arturo Gonzalez as our newest Board member. Chair Mathis Basha stated that Dr. Gonzalez is an Arizona native and one of eleven children. He is board certified in Pediatrics, and has been practicing in Arizona since 1993. Dr. Gonzalez currently serves as the Vice President/President elect of the Arizona Chapter of the American Academy of Pediatrics. He has been recognized as one of the "Top Docs" by "Ranking Arizona Annual Report", "Best Doctors in America", "101 Magazine", and "Top Pediatricians" by the Consumers Research Council of America.

Member Evans Allvin reported to the Board that the P-20 Council met on January 8, 2009 and is currently on hold until the incoming Governor decides what role she would like the P-20 Council to provide in her administration. Member Evans Allvin stated she will keep the Board posted.

Member Lynn stated to the Board that the state is facing some incredible budget challenges for this and the next fiscal year. The three senior business leadership organizations in the state, Greater Phoenix Leadership, Southern Arizona Leadership Council, and the Flagstaff 40, are considering a joint release of some principles directed at the Legislature and the Governor to help them in their search for a balanced budget. Two of the principles are a

particular interest to this Board. The first is in trying to balance the budget. The Legislature and the Governor should be mindful that those in the state who are most vulnerable need to be protected as best we can. The second is that the three business leadership groups are indicating that those expenditures that relate to growth in the state, particularly education at all levels and economic development should be looked at as investments not expenditures. They should also be kept as whole as possible during this time of economic difficulty. Because you can't cut your way out of a recession, you must grow out of a recession. There are other principles that are important, but those two relate directly the work of First Things First and it should be noted that unlike some of the other business organizations in the state, these three business leadership groups are saying to the Legislature that all solutions be on the table. There should not be just cuts, but revenue enhancement and tax increases.

Member Thompson wanted to advise the Board that the Yavapai Regional Council met with two of the three Representatives from LD1 earlier this month to stress the needs for our funds. Representative Mason was highly receptive to the input she received, especially to the concept of the 17 to 1 dollar return on investment. Representative Tobin strongly suggested the need to consider variables beyond population numbers in the distribution of funds, considering some of our regions have issues such as travel that need to be considered. Overall, the feedback was positive from both of them.

Call to the Public

There was no response to Call to the Public.

Evaluation Presentation

Dr. Amy Kemp, Assistant Director of Evaluation, presented to the Board the Partner Survey: Baseline Report. The First Things First Partner Survey was developed to measure First Things First key measures related to coordination. It was administered as an on-line survey. A partners list was compiled from early childhood stakeholders including: regional partnership council members, state agencies involved in early childhood efforts, community partners, service providers, non-profit organizations, and doctors such as pediatricians and dentists. A list of 301 early childhood partners was compiled and 145 responded.

A second survey, The First Things First Family and Community survey, was conducted as a telephone survey with approximately 5,200 respondents, the majority of whom were parents of children under six residing throughout the state of Arizona. Their responses provided insight into parent's knowledge of early childhood, their behavior related to child development, their perception of the coordination of the early childhood system, and their support for early childhood.

Policy Updates

Statewide Initiatives

Sandy Foreman, Assistant Director for Policy and Research reported to the Board that the Quality First website is now available and is being continually updated with new information. The on-line application was released as planned on January 12, 2009, and over 200 applications were received during the first three days. The development team has also completed the automated systems work for determining eligibility through the database. The team has begun work on the system and criteria for evaluating applicants for participation in Quality First and will be creating secure access points to the First Things First database for coaches, assessors, First Things First staff and participants.

Ms. Foreman stated that the foundational work is now occurring to prepare for the "launch" of T.E.A.C.H. ARIZONA. The administrative home, Association for Supportive Child Care (ASCC), is developing and refining models for the initial scholarships in collaboration with First Things First. These models must be approved by Child Care Services Association (CCSA) in North Carolina, which grants the license for the program, before they can be announced. First Things First has also met several times with ASCC to refine the contractor's understanding of the models and other components of our Arizona program.

Ms. Foreman noted that First Things First and the Pima County Health Department have agreed upon a scope of work and are finalizing the agreement to administer child care health consultation in Pima County, while providing

training and quality assurance for the entire state. Negotiations with CAREFACTS, the database currently in use for child care consultation, are underway to link it to the Quality First and First Things First database.

Ms. Foreman stated that the Memorandum of Understanding with Virginia Piper Trust has been completed and signed by both parties. The current inventory of parent kits is being distributed this month in order to deplete the supply. The new inventory with First Things First packaging and revisions is ready and statewide distribution to hospitals and birthing centers will begin on February 2, 2009.

Ms. Foreman reported to the Board that the RFGA deadline for Statewide Competitive Grants was January 7, 2009, and 30 applications were received. In addition to facilitating the external review committee, First Things First staff will provide the initial technical review of applications for completeness. The plan is to complete the review process by early February, so that recommendations can be presented to the Board during the February 24, 2009 meeting.

Health Policy Framework

Ms. Foreman reviewed with the Board building blocks for a healthy childhood through the foundations for health and development beginning during the pre-conception period and continuing throughout the first years of life. Ms. Foreman stated that the relationship between parent and the health care professionals is also crucial to help parents gain knowledge and confidence in caring for the physical, intellectual and emotional need of their infants and to encourage their personal growth as parents and as a family. This partnership continues through early childhood years and beyond.

Arizona Western College Tour

Ms. Alison Keogh, Director of the Arizona Western College Child Development Laboratory was available to extend a tour of the facilities to the First Things First Board, staff and meeting attendees. The Learning Lab provides settings where students observe and learn to work with young children as part of their college program. Each student will become a knowledgeable and experienced child care professional with an understanding of child development and observation, appropriate practices, and the planning and preparation necessary to create a quality environment for young children.

Executive Director Report

Sustainability

Elliott Hibbs, Director of First Things First, stated during the first six months of fiscal 2009 revenues dropped by nearly 4.4% over the same period a year ago. The First Things First sustainability analysis assumed the historical average drop in tobacco revenue of 1.4% per year. Evidently the recession, slower population growth for Arizona, campaigns to reduce smoking, and relatively high taxes on tobacco products is having a bigger impact than was shown last year. Given these factors, a review of the sustainability of First Things First programs and services over the next decade is prudent. Also prudent, would be to look at some adjustments in expected future funds management to compensate for potentially lower revenues. We are not recommending any changes at this time, just continuing to monitor and being ready to make recommendations in the future if recent trends continue.

Legislative Update

Director Hibbs stated that this is budget week at the Legislature and a special session has now been called by the Governor to begin tomorrow to deal with the 2009 budget. That means that in all likelihood they are at, or are very close to agreement on how to resolve the entire budget problem. He stated that they must have very close to the number of votes that it takes to pass it in both houses so dealing with this is a very critical issue. There have been a number of bills introduced to the Legislature, over 550 a week ago and many more today. We are concerned about a lot of strike everything bills introduced, that the Legislature will want to use it as a tool later on to do some things. We are keeping an eye on the strike everything bills. We just received a copy of SCR Senate Concurrent Resolution 1009, which is a piece of legislation that is similar to Concurrent Resolution 2044 last session. This would give the Legislature and the Governor (should they agree there's a budget deficit) the ability to override the voter protection provision and to access funds such as First Things First monies in order to resolve the budget crisis that is declared. That bill states that if the budget crisis is a 1% deficit, the Legislature has the

authority to go in and raid First Things First or other voter protected funds in order to resolve the budget deficit. They can only take money up to the size of the deficit. Other items in the referendum proposal include a requirement that you have to resolve the entire deficit by sweeping other funds, before there could ever be a tax increase. They're asking voters to ensure no future Legislature could impose a tax increase to resolve a budget deficit, without expending every other dollar that is available beforehand. We will also be monitoring the Federal stimulus package and looking at how that affects the programs and services that are part of the early childhood system. We are also working on some things that might provide grants opportunities for First Things First. With the special session being called and the sweep of First Things First investment earnings of \$7 million dollars being proposed by the appropriations chairs, the question is: does the Board want to take some action and suggest a policy related to the use of the \$7 million dollars of investment earnings?

A motion was made by Member Evans Allvin that the Board oppose efforts by the Legislature to take any funds approved by the voters of Arizona, through Proposition 203, and associated with First Things First including interest earnings on our investments. It was the voter's intent to give all children the opportunity to receive services and supports in order to be successful in school and life. Additionally, the Board will direct the First Things First staff to initiate internal and external education campaigns that thoroughly tell the First Things First story. We remind state lawmakers that First Things First funds cannot be used to supplant or replace other state funding. We ask the Legislature to maintain their commitment of state programs and services designed to provide young children the foundation they need for development. Seconded by Member Saunders.

Chair Mathis Basha asked for a roll call vote. The vote reads as follows:

Member Thompson, stated yes for the record

Member Evans Allvin, stated for the record, we would be naïve to consider anything other than this budget crisis being real. I think it's real across the country and I think it's real in Arizona. I think it's far more real in Arizona for a variety of reasons, both things we can control and things we can't control. I was struck by a comment Member Lynn made on how we choose to deal with the crisis and whether we invest our way out of it or we cut and slash our way out of it. And I think this is a time of crisis that we can ask ourselves who do we want Arizona to be, what do we want the state to look like, and what do we want for our children. It's important that we in our early childhood constituency remind state lawmakers there's a variety of policy choices available to get through this crisis, and that solely putting the burden on the backs of young children and low income families and our vulnerable and sick population is not the way you invest your way out of a crisis. I also want to make sure that we note that despite some things we've been hearing in the news and from lawmakers, this budget crisis was not caused by the voters of Arizona. Voters have the right to pass ballot initiatives. Just as lawmakers are responsible for stewarding over general fund money, our First Things First Board is responsible for stewarding over the money that voters entrusted us through First Things First. We have that level of accountability and were obligated as a Board to operate in a transparent environment, were obligated to change outcomes for kids, and were obligated to be accountable. I believe our job in this crisis is to stay the course, to stick with our long term strategies, and make sure we are accountable that every child has access to a high quality early childhood experience before they start school. Ms. Evans Allvin stated for the record that her vote is yes.

Member Gonzalez stated yes for the record. As a newly appointed member, I'm honored to be a part of this Board as well. As a Vice President/President elect of the Arizona Chapter of the American Academy of Pediatrics and on behalf of the 700 members I represent, I support that decision as well. Arizona children deserve a healthy future as well. Thank you.

Member Powell, stated for the record, in addition I'd like to offer a platitude or aphorism, we will pay now or we will pay later. And I feel it's imperative that we look at more creative and innovative ways to take care of this budget crisis rather than surgically removing and excising from the current budget. Member Powell stated for the record that her vote is yes.

Member Saunders stated yes for the record, and would also like to request from staff talking points so we are speaking the same message.

Vice Chair Lynn, stated for the record, this has been a subject of a certain amount of deliberation this week, personally as well as in reference to Board membership. As I mentioned earlier, I'm a member of one of the business organizations that's tried to ask the Legislature to make a principled budget decision, a decision based on a set of principles that are extremely reasonable, rational, and appropriate for the circumstance. Among those is making sure that they do keep all options on the table. You can't balance this budget certainly and not next year's budget, with cuts alone. It's impossible. You can't get there from here. The state budget in total is simply not large enough to achieve the balanced budget with the cuts that are being made. Next year, it's going to be twice as difficult to make those cuts. While pots of money, wherever they exist seem very tempting, when you take money from those most vulnerable in the state, and surely children 0-5 fall into that category, you are really mortgaging the future of the state in a way the state can't recover from. We don't get this generation back to redo if we don't treat them properly. It's the same thing cutting education significantly. Cutting K-12 and post secondary education significantly in this state and you will have a generation of children who would have suffered through an educational process that does not afford them the opportunity to become productive taxpaying citizens here, or anywhere else. It may take a generation to recover those kinds of cuts. I recognize that the Legislature has a monumental task. And that task seems daunting in light of all the options. It clearly is impossible if you exclude some of the more preferable options. One of the things the business community is saying this year, which I think is unprecedented to come from the business community, or at least parts of it is that they are willing to pay additional taxes for some period of time. Taxes that they don't now pay, taxes that are scheduled to be cut in the future, taxes they would otherwise be lobbying to reduce. They are saying because of the financial crisis, they're willing to forego those kinds of tax cuts. In fact, they would be fine with revenue enhancements for the next couple of years until the recovery has taken effect. So given that business organizations have made those statements, and those statements are consistent with the spirit of this motion, I vote aye.

Chair Mathis Basha stated for the record, I think we have a responsibility as a Board to be the voice of not only children, but of the voters. First Things First is a unique ballot initiative. It was a citizen lead initiative, not by any interest group in the state of Arizona, and not by any entity that stood to gain of the passage of First Things First. It was secondly voters saying yes, we will tax ourselves because we believe in the future of this state and we believe this will make a difference in the future of our state. Thirdly, it's a citizen's implemented initiative; it is the best of all of us coming together in this process of citizen engagement through our Regional Partnership Councils. It is truly unique and I believe that we have had the voice of the voters all through our process and we continue to engage Arizona's citizens in this. I think it's incumbent on this Board to speak for those citizens who entrusted us in the work that we have ahead of us. Chair Mathis Basha stated for the record her vote is yes.

The vote was 7-0 in favor of the motion. Motion carried.

Evaluation

Director Hibbs stated that the First Things First external evaluation proposal was approved by the Board on December 2, 2009. Staff has developed a contract which will be reviewed by the University personnel, as well as the Attorney General's Office. The proposed start of the University Consortium's work was January 1, 2009.

Director Hibbs stated external agency data collaboration meetings were convened with the Arizona Department of Economic Security and the Morrison Institute. First Things First is working towards formal data sharing agreements and collaboration with these Agencies.

Programs and Business Systems

Director Hibbs reported that the development team launched the new www.azftf.gov website. The new website is more aesthetically appealing and functional. We have also finalized the data collection from Environmental Rating Scales to be used in assessing Quality First centers and homes.

The Quality First Application has been completed; the application will be available to the public on the First Things First website by January 13, 2009. Initial design of the Quality First public webpage has been completed and the site will house an overview of Quality First eligibility for participation, instructions, and the Quality First application.

Initial development on the First Things First Extranet (login required) has been completed. This area will be used by Quality First participants and users, as well as First Things First grantees. The initial extranet development built to date displays a page where Quality First assessors will be able to select a center or home from a list of Quality First participants and input assessment scores and submit to First Things First.

All historical data sets from the National Health and Education Statistics were added to the data warehouse. Sets of micro data from the American Community Survey were added to the data warehouse and the logical architecture for the data warehouse was completed.

First Things First is currently working with the new Accounting Manager to select accounting software. A planned contract developer will join us in January to work with the Accounting Manager to configure the software. Our goal is to have the accounting system developed by July 1, 2009, so that we can have the FY 2010 budget loaded.

Revenues and Expenditures

Director Hibbs reported that the Board continues to expend under budget. He stated that December expenses were \$1,626,030, compared to a budget of \$1,705,875, and Year-to-date expenditures of \$7,357,660 are under budget by \$1,425,942. Director Hibbs stated that First Things First has had to divert some of our processing systems development resources to concentrate more on Quality First implementation. The information technology needs for Quality First turned out to be much greater than earlier estimated as the design and implementation requirements became clearer. We also rejected off the shelf software that, with needed modifications and on-going expenses, would have been more than double the cost of developing the system internally. This change will affect the delivery of our grants processing and monitoring system. While critical elements will be available as needed to handle the grants, the total system will not be complete until March of 2010. Savings from this year's administrative budget will be used to pay for the added costs of Quality First development rather than using program funds.

Revenues from tax receipts for December totaled \$13.6 million, which brings the total tobacco tax revenues for the fiscal year to \$78.8 million after 6 months. In addition, interest earnings for December added another \$637,000 to the total receipts, bringing the total interest earned to \$3.0 million for five months of the fiscal year (earnings from investments are always distributed the month after they are earned).

Regional Administration

Michelle Katona, Assistant Director for Regional Administration, reported to the Board that since the last update in October 2008, we have received seven resignations from members from the Yuma, San Carlos Apache, Cocopah Tribe, and Gila Regional Councils. A total of 305 Regional Council seats are filled. Ten individuals are being recommended to the Board for appointment. The next Regional Council Chairs and Vice Chairs meeting is scheduled for February 5, 2009 from 10-3pm. The location has not been finalized. We will be contacting the Chairs and Vice Chairs from the Tribal Regional Partnership Councils to determine if they would like to meet prior to the meeting. This was a request from our Chairs and Vice Chairs of the Tribal Regional Councils at the first leadership forum. Current topics to be discussed at the meeting include communications, advocacy, the state budget, and discretionary funding.

Regional Funding Plan Presentations and Motions

Yuma

Madeleine Coil, Council Member of the Yuma Regional Partnership Council, presented to the Board an overview of the Yuma Regional Funding Plan. Mary Reyes-Sanford, Coordinator, supported Council Member Coil's review of the Funding Plan.

A motion was made by Member Lynn that the Board approve the Funding Plan submitted by the Yuma Regional Partnership Council with the following exceptions: 1) funding set aside for Communication (strategy 11), and regional needs and assets report and evaluation be held pending further work by the Regional Council and First Things First staff. Seconded by Member Evans Allvin, motion carried.

Central Pima

Diane Umstead, Regional Manager, and Jessica Brisson, Coordinator of the Central Pima Regional Partnership Council, presented to the Board an overview of the Central Pima Regional Funding Plan Strategies 1 and 11.

A motion was made by Member Lynn to approve the strategies 1 and 11 with revised funding amounts submitted by the Central Pima Regional Partnership Council. Seconded by Member Evans Allvin. Motion carried.

Regional Council Member Appointments

A motion was made by Member Lynn that the Board adopt the staff recommendations for appointments to the Regional Partnership Councils in the following regions:

Cocopah Tribe
Colorado River Indian Tribes
Navajo Nation
San Carlos Apache
White Mountain Apache Tribe

Seconded by Member Evans Allvin. Motion carried.

Next Meeting

The next meeting is scheduled for February 24, 2008 to be held in Tucson, Arizona

Adjourn

There being no other business, Chair Mathis Basha adjourned the meeting at approximately 2:00 p.m.